

TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Ron Jones, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

March 19, 2003

Terri K. Firestein
Consultant, CCG Consulting, Inc.
6811 Kenilworth Avenue, Suite 300
Riverdale, MD 20737

RE: CommuniGroup of Jackson, Inc. (Docket No. 03-00172)

Dear Ms. Firestein:

The Application of CommuniGroup of Jackson, Inc. (hereafter "CommuniGroup" or "Applicant") states that the Applicant is a wholly owned subsidiary of Telephone Electronics Corporation ("TEC"). Therefore, the Tennessee Regulatory Authority requests the following information regarding this application for a certificate to provide competing local telecommunications services within the State of Tennessee pursuant to TCA § 65-4-201.

1. Why is Telephone Electronics Corporation ("TEC") establishing a separate entity in Tennessee for the provisioning of telecommunications services?
2. Will the Applicant share officers, management, employees, accounting functions, operational functions, etc. with any of TEC's affiliated entities in Tennessee? If so, please provide a copy of a cost allocation manual and procedures that will be used to prevent cross subsidization between the Tennessee affiliates.
3. For ratemaking purposes, will the profits generated by CommuniGroup be imputed into the operations of Crockett, Peoples and West Tennessee Telephone?
4. Provide facts and relevant information to demonstrate that this application meets the requirements of 47 CFR 64.1903.
5. Does granting CommuniGroup's application prevent Crockett, Peoples and West Tennessee Telephone from maintaining a rural exemption under 47 USC 251 (f)?

Please submit the requested information by April 4, 2003. If you have any questions, please contact Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,

Joe Werner
Chief of Telecommunications